

August 28, 2008

Candace Carlson  
Contract Administrator  
King Street Center, KSC-TR-0415  
201 South Jackson Street  
Seattle WA, 98104-3856



**ERG**

TRANSIT SYSTEMS

RE: Return of Change Order No. 34 - Cardholder Website & Unregistered Cards

Dear Candace,

Since the Agencies have chosen to remove compensation for all administrative hours for the performance of the work in Change Order No. 34 - Cardholder Website & Unregistered Cards, ERG is not equitably compensated for the work or the schedule impacts of performing this work. The work under this Change Order was not anticipated in the Contract or in the pricing of the Contract. It is new work that has increased ERG's cost of performance. As such, an equitable adjustment to the Contract price is required to be made per Contract Section 3.I-31.2.

ERG has protested the Agencies' dismissal of administrative costs for new work required in Change Orders No. 28 through 31. The issues for this Change Order are identical and ERG finds it unreasonable to be expected to incur the expense and time impact of raising the issues with the Dispute Review Board (DRB) again. Despite the decision of the DRB, which is not binding on either party (RFCS Contract, 3.I-34.7), being compensated for all work performed is critical to ERG and it will pursue all available options to defend and protect its right to be fully paid for the work it performs. Furthermore, ERG retains all rights to pursue all remedies available under the law.

ERG returns these Change Orders unsigned and in protest. This work has been sent to ERG under directive Change Orders and, therefore, ERG will proceed with the work as directed. However, this letter and commitment to perform the work in no way sets a precedent or bind ERG to perform any work in the future.

If you have any questions, please contact me at (925) 686-8210.

Sincerely yours,

John Winyard  
Project Director



## REGIONAL FARE COORDINATION SYSTEM CHANGE ORDER NO. 34

**CONTRACTOR:** ERG Transit Systems (USA) Inc.  
**CONTRACT NUMBER:** 229944

This Change Order to Contract #229944 ("Change Order") is executed as of 4/28/08, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

### **Background**

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Agencies and the Contractor desire to execute this Change Order No. 34 and the attached Amendment No. 30, to modify Division II Section 6.II – 1.2 Customer Service Functional Requirements and the Special Programs section of Exhibit 9, Price Schedule. This work provides for changes to the Cardholder Website to perform certain functions as described in Figure II-1.1 for both Registered and Unregistered Cards.

## Changes

The Agencies and the Contractor hereby agree to the following changes to the Contract.

### 1.0 Division II Changes

Section 6.II-1.2.1 Functional Requirements Customer Services, is hereby amended to modify the first sixteen lines of Figure II-1.1: Customer Service Activity Summary, in order to change the title preceding items # 9,10,11,12 & 13 to read: "Revalue an Existing Card (Both Registered and Unregistered Cards)".

### 6.II-1.2 Functional Requirements

#### 1.2.1 Customer Service

The Contractor shall provide the equipment and services to support first and second tier customer service activities as listed in Figure II-1.1.

**Figure II-1.1: Customer Service Activity Summary**

	<b>Business Processes</b>	<b>Walk-In Center</b>	<b>Agency Call Center</b>	<b>Mail Center</b>	<b>Web</b>	<b>ESB Call Center</b>
	<b>New Card</b>					
1	Personalize (Initialize) Card (Card Data)	Yes	No	Yes	No	No
2	Secondary Print Card	Yes	No	Yes	No	No
3	Card Account Setup (Update Clearinghouse)	Yes	Yes	Yes	Yes	No
4	Process New Card Fee	Yes	Yes	Yes	Yes	No
5	Issue Card to Customer	Yes	No	Yes	No	No
6	Mail Card	No	No	Yes	No	No
	<b>Cardholder Registration (Linking and Maintaining Information)</b>					
7	Collect/Update Cardholder Personal Information and Update Database	Yes	Yes	Yes	Yes	Yes
8	Obtain Secure Website Access	No	No	No	Yes	No
	<b>Revalue an Existing Card (Both Registered and Unregistered Cards)</b>					
9	Process Payment	Yes	Yes	Yes	Yes	Yes

	Business Processes	Walk-In Center	Agency Call Center	Mail Center	Web	ESB Call Center
10	Update Database	Yes	Yes	Yes	Yes	Yes
11	Update Card (If Card Present)	Yes	No	Yes	No	No
12	Download Transaction to Revalue Network (If Card Not Present)	Yes	Yes	Yes	Yes	Yes
13	Reverse Revalue	Yes	No	No	No	No
	<b>Customer Inquiries</b>					
14	Provide Balance	Yes	Yes	Yes	Yes	Yes
15	Reporting Customer Feedback	Yes	Yes	Yes	Yes	No
16	Resolving Customer Inquiries/Complaints	Yes	Yes	Yes	Yes	Yes

## 2.0 Compensation Changes

This Change Order 34 shall give rise to no additional compensation except for the lump-sum amount of \$33,067, as specified in Amendment 30 which is attached hereto as "CO 34 Attachment A" and which the Parties agree, without further execution, hereby amends Exhibit 9 to the Contract, entitled "Price Schedule," by adding a Special Program to Section VI, "Implementation, Special Programs."

## 3.0 Other Terms and Conditions

Except as expressly amended by this Change Order, the Contract remains in full force and effect. All other provisions of the Contract not referenced in this Change Order No. 34 shall remain in effect unless modified in other executed Amendments and Change Orders.

IN WITNESS WHEREOF, the parties hereto have executed this Change Order No. 34 to Contract #229944 as of the date set forth below its signature.

**ERG Transit Systems (USA) Inc.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**The Agencies**

By: Candace Carlson  
 Their: Contract Administrator  
 On behalf of the Agencies  
 Date: 4/28/08

## Change Order No. 34 - Attachment A

### Amendment 30 to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System

This Amendment 30 to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System is entered into this 28<sup>th</sup> day of April, 2008, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

#### Recitals

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Agencies and the Contractor desire to amend Section VI of Exhibit 9, Price Schedule, in connection with the Work described in Change Order 34 to which this is attached.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Contract as follows:

**Section 1.0** Section VI (Implementation) of Exhibit 9, Price Schedule, is hereby amended to read as follows:



## VI. IMPLEMENTATION

### SPECIAL PROGRAMS

<b>LUMP SUM COST</b>
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Original Contract

<b>A. PARATRANSIT</b>	<b>\$70,476</b>
<b>B. VANPOOL</b>	<b>\$70,476</b>

Change Order No. 1

<b>A. KCM RCU Conceptual Design</b> (Not to Exceed plus reimbursable travel expenses)	<b>\$26,795</b>
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Change Order No. 11

<b>WSF GAK Implementation</b>	<b>\$241,584</b>
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Change Order No. 15

<b>WSF Gate &amp; POS Simulator</b>	<b>\$24,614</b>
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Change Order No. 16

<b>KT PFTP Implementation</b>	
<b>1. Phase 1 FDR through Beta Test Readiness</b>	<b>\$79,698</b>
<b>2. Phase 2 After Beta Test Readiness</b>	<b>\$46,683</b>
<b>TOTAL IMPLEMENTATION:</b>	<b>\$126,381</b>

Change Order No. 18

<b>KCM DDU Functionality when ARI enters Init Mode</b>	<b>\$10,985</b>
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Change Order No. 19

<b>KCM DDU Auto Logoff and Power Down</b>	<b>\$7,054</b>
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Change Order No. 20

<b>Beta Card Production</b>	<b>\$20,000</b>
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Change Order No. 25

<b>CST Monitors for Beta Test Developmental Units</b> <b>5 CSTs @ \$800 each</b>	<b>\$4,000</b>
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Change Order No. 29

<b>Addition of Cardholder Website content to Call Center &amp; Walk-in Center training courses and materials</b>	<b>\$3,675</b>
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Change Order No. 30

Amendment No. 30

<b>Revise card graphics to include 8-digit Card Serial Number on the card</b>	<b>\$2,072</b>
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Change Order No. 31

<b>CST Functionality to override card printing requirements</b>	<b>\$6,637</b>
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Change Order No. 34

<b>Cardholder Website change to perform certain functions (items #9 through 13 in Figure II-1.1 for both Registered and Unregistered Cards</b>	<b>\$33,067</b>
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